



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

TODD P. GRAVES

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

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FOR IMMEDIATE RELEASE

FORMER MORTGAGE COMPANY EMPLOYEE PLEADS GUILTY TO \$4 MILLION FRAUD

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that an employee of Ameriquest Mortgage pleaded guilty in federal court today to his role in a conspiracy to defraud Ameriquest and victim investors of more than \$4 million.

Chauncey Joseph Calvert, 34, of Kansas City, pleaded guilty before U.S. District Judge Fernando J. Gaitan this morning to charges contained in an indictment returned by a federal grand jury on Aug. 13, 2004.

By pleading guilty, **Calvert** admitted that he conspired with others to defraud Ameriquest and victim investors from May 1999 to December 1999, by obtaining money from the mortgage lender by means of fraudulent loan applications and inflated appraisals. During the conspiracy, **Calvert** admitted that he caused Ameriquest to approve 66 fraudulent loans in the approximate total amount of \$4 million.

Calvert was an account executive at Ameriquest Mortgage in Gladstone, Mo., from Aug. 3, 1998, through Nov. 8, 1999. His duties included soliciting new loan applications, preparing and processing loan applications, obtaining supporting documentation and closing loans.

Calvert admitted that he induced victim investors to purchase and/or obtain loans to purchase real estate after promising that a co-conspirator would obtain renters and buyers for the properties within a short period of time. The victims were led to believe that they would pay no money for the properties and have no expenses or obligations in connection with the properties but that they would be paid fees or a percentage of the profits. During the scheme, victims were told that they would receive \$1,500 for each property they allowed to be purchased in their names or up to 50 percent of the profits on the eventual sale of the properties.

In carrying out the scheme, co-conspirators submitted to Ameriquest false and fraudulent loan applications signed by victims, inflated appraisals and other documentation and representations. In doing so, **Calvert** included false information regarding the properties' condition and the victim-investors' income, assets, and credit, among other things. As a result of the conspiracy, documents were prepared for loan packages on the behalf of victim investors that contained false sales contracts, false settlement statements, false verifications of mortgage forms, false payoff letters, false income verifications for the victim investors, false W-2 Wages and Tax Statements and false verification of rent forms.

Calvert had the proceeds of the loans disbursed to a co-conspirator or companies under the control of a co-conspirator by representing that fictitious companies held the first mortgage liens on the properties. **Calvert** benefitted from this because he obtained fees, bonuses, commissions, kickbacks and other benefits.

Calvert also admitted that he caused the illegal transfer of \$29,298.95 between Texas and Independence, Mo.

Under federal statutes, Graves explained, **Calvert** may be subject to a maximum sentence of up to 15 years in federal prison without parole, plus a fine up to \$500,000. His sentencing hearing will be scheduled after the completion of a presentence investigation by the U.S. Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Linda Parker Marshall. It was investigated by the Federal Bureau of Investigation, Office of Inspector General of the U.S. Department of Housing and Urban Development, and the Criminal Investigation Division of the Internal Revenue Service.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow